

2 September 1949

MEMORANDUM TO: EXECUTIVE, CIA

SUBJECT: Budget Estimates for FY 1951

REFERENCE: (a) ADPC memo, 25 August 1949, subject: "Action by PRC on OPC Projects for FY 1951"

1. Reference (a) indicated that recent developments have altered the basis on which OPC budget estimates for FY 1951 were prepared. One such development is the impending reorganization of the secret activities of CIA with the resultant consolidation of the overseas stations of OSO with those contemplated in the OPC

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██████ Projects. Although it is not possible to gauge with complete accuracy the economy to be effected by this integration, it is estimated that a reduction of approximately ██████ may be possible from the total of the ██████ Projects. This assumes that the entire saving accomplished by the merger will be reflected in the OPC budget.

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2. The purpose of the overseas establishment is to enable the Office to discharge its substantive responsibilities. In previous estimates, the scale of substantive activities (and expenditures) was limited by the difficulties which were expected to be encountered in the procurement and placement in the field of personnel and in the establishment of overseas facilities. Since the anticipated merger should provide facilities at an earlier date than would otherwise be the case, it should be possible to accelerate the substantive programs with resultant increase in expenditures for operations. Likewise, additional funds may be required for situations where CIA (OPC) has been given definite responsibilities but where the scope and method of execution have not been determined. For example, the urgent plans for OPC action in ██████ and S. E. Asia are not crystallized sufficiently at this time to permit firm budget estimates. Depending upon the outcome of policy formulations regarding this area which are currently under consideration at a high governmental level, the scope of the responsibility assigned to CIA may be very large. For these reasons, the estimate for OPC program activities may be insufficient to discharge the responsibilities placed upon the Central Intelligence Agency in this field. Nevertheless, it seems that no increase need be requested at this time in the original estimate for Program Branches (██████) provided that, if necessary:

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a. A revised estimate may be filed before 1 January 1950, or

b. Arrangements can be made to obtain additional sums without delay, in the event that specific directives from the Departments of State or Defense require the expenditure of sums in excess of those here budgeted.

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3. The estimate for vouchered funds was based on complete staffing of the approved OPC table of organization by the end of FY 1951. It is impossible to determine what economies may be effected in the Washington staff by the proposed merger, but present information indicates that the previous vouchered fund estimate should not be reduced more than [REDACTED] including such minor adjustments as may be required to bring the estimates into line with established budget criteria.

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4. Subject to the provisions in paragraph 2, above, the revised budget estimate for OPC for FY 1951 would be as follows:

Vouchered funds

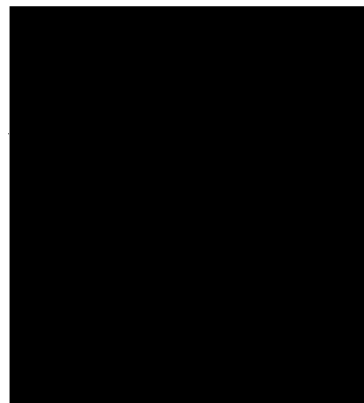
Unvouchered funds:

Program Branches

Training Project

Total Unvouchered

Total Vouchered and
Unvouchered



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Assistant Director for
Policy Coordination

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